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From: Mylott, Richard
Sent: Fri 6/21/2013 3:06:53 PM
Subject: FW: FYI -- EnergyWire: EPA abandons investigation into Wyo. water contamination

Fyi.

-----Original Message-----

From: Fells, Sandy
Sent: Friday, June 21, 2013 8:20 AM
To: Cantor, Howard; Ward, W. Robert; Mylott, Richard; McGrath, Shaun
Cc: Janifer, Pamela; Schmit, Ayn; Shanahan, Mike; Smith, Paula
Subject: FYI -- EnergyWire: EPA abandons investigation into Wyo. water contamination

FYI -- From today's EneryWire . . .

HYDRAULIC FRACTURING:
EPA abandons investigation into Wyo. water contamination Ellen M. Gilmer, E&E reporter

Published: Friday, June 21, 2013

U.S. EPA has abandoned its investigation of groundwater contamination near oil and gas operations in Wyoming.

The agency will not seek peer review and will not finalize its 2011 draft report that linked hydraulic fracturing to contaminated groundwater near the town of Pavillion. Instead, the state will carry on the investigation with the help of a \$1.5 million grant from Encana Oil & Gas Inc. -- the company accused of contaminating the water.

"In light of this announcement, we believe that EPA's focus going forward should be on using our resources to support Wyoming's efforts, which will build on EPA's monitoring results," said EPA acting Administrator Bob Perciasepe in a statement yesterday.

The agency added that while it stands by its results, it will not rely on the draft conclusions for any future considerations.

The Pavillion case has featured prominently in the national debate over the safety of fracking -- serving as a go-to example for environmentalists and others concerned about the effect of the oil and gas production process on health and the environment. EPA's decision to duck out of the investigation comes as a shock to many stakeholders who have been anxiously awaiting the results.

Wenonah Hauter, executive director of the environmental group Food & Water Watch, accused EPA of "abdicating this responsibility" to protect American communities and resources.

"If there is any question whatsoever about the safety of fracking and its effects on drinking water supplies," she said, "the EPA should make it a top priority to investigate the matter fully."

Now that responsibility will fall to the Wyoming Department of Environmental Quality and Wyoming Oil and Gas Conservation Commission, which will take the lead on the study. EPA and Encana will both have a chance to weigh in on Wyoming's research, and the state says its final report will be ready in September 2014.

"It is in everyone's best interest -- particularly the citizens who live outside of Pavillion -- that Wyoming

and the EPA reach an unbiased, scientifically supportable conclusion," Gov. Matt Mead (R) said in a statement.

A fraught investigation

Industry representatives heralded the decision as a positive change in the investigation that has often been fraught with controversy and delays since 2009 when residents began reporting that their well water had a foul taste and odor.

"If the EPA had any confidence in its draft report, which has been intensely criticized by state regulators and other federal agencies, it would proceed with the peer review process," said Energy In Depth spokesman Steve Everley. "But it's not, which says pretty clearly that the agency is finally acknowledging the severity of those flaws, and leaning once again on the expertise of state regulators."

In late 2011, EPA released a draft report that found fracking fluids to be present in deep groundwater but not the area's shallower drinking water. But when the U.S. Geological Survey tried to replicate the results in 2012 from EPA's two monitoring wells, it found one of the wells to be poorly constructed and therefore unable to produce reliable data.

Encana and other industry representatives have repeatedly slammed EPA's investigation as sloppy and lacking in transparency (EnergyWire, Oct. 19, 2012). The agency extended public comment periods on the study multiple times and last December announced that it was putting off its final report by eight months. Now that report will never be completed.

EPA last year similarly backed out of an investigation of contaminated water problems in Parker County, Texas. After the agency's Region 8 office accused Range Resources of contaminating drinking water, the case went to federal court but was abruptly dropped by EPA and the Justice Department last March in favor of further testing (E&ENews PM, March 30, 2012).

The American Petroleum Institute is now calling on EPA to not only extricate itself from the Pavillion investigation, but to withdraw its previous conclusions.

"Our environmental performance is strong," said API's upstream director, Erik Milito, in a statement yesterday. "It is a shame this reality is sometimes overshadowed by misinformation generated by faulty procedures and analysis from a federal agency. EPA should not only drop the Pavillion work from consideration, it should fully retract it."

EPA will continue work on its broader ongoing study of hydraulic fracturing and its effect on drinking water. A draft report for that study is expected in late 2014 (EnergyWire, June 20).

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